

## DEPUTY UNDER SECRETARY OF DEFENSE FOR LOGISTICS AND MATERIEL READINESS 3500 DEFENSE PENTAGON WASHINGTON, DC 20301-3500

JAN 2 5 2005

MEMORANDUM FOR ACTING UNDER SECRETARY OF DEFENSE

(ACQUISITION, TECHNOLOGY, AND LOGISTICS)

UNDER SECRETARY OF DEFENSE

(COMPTROLLER)

DIRECTOR, PROGRAM ANALYSIS AND

EVALUATION

SUBJECT: Management Initiative Decision (MID) 917 "Performance Based Logistics" – Interim Review

The MID 917 "Performance Based Logistics," dated October 18, 2004, required that each MILDEP and the JSF JPO provide an interim report on MID implementation progress to the DUSD(L&MR) and USD(C) not later than 90 days after the approval of the MID. The programs presented their status briefs to the Total Life Cycle Systems Management (TLCSM) Executive Council on January 13, 2005. The status briefings highlighted BCA progress, acquisition/contract strategy, Operations and Sustainment budget data display, future programming, and experience to date. All programs are on schedule and fully compliant with the requirements of MID 917. There were no significant areas of concern. The attached memorandum from the TLCSM Executive Council Chairman provides more detailed points of the interim report.

Bradley Berkson

Acting

Attachment As stated

Acting USD AT&L HAS SEEN

DATE: 1/27



## OFFICE OF THE UNDER SECRETARY OF DEFENSE



## 3000 DEFENSE PENTAGON WASHINGTON, DC 20301-3000

January 25, 2005

## MEMORANDUM FOR ACTING DEPUTY UNDER SECRETARY OF DEFENSE (LOGISTICS AND MATERIEL READINESS)

SUBJECT: MID 917 "Performance Based Logistics" - Interim Review

The MID 917 "Performance Based Logistics," dated 18 October 2004, required that each MILDEP and the JSF JPO provide an interim report on MID 917 implementation progress not later than 90 days after the approval of the MID. The programs specified in MID 917 briefed the Total Life Cycle Systems Management (TLCSM) Executive Council on 13 January 2005. I chaired the meeting with senior Service representatives and senior representatives from Program Analysis and Evaluation (PA&E), Defense Systems, and Acquisition Resources and Analysis (ARA). Unfortunately, the Under Secretary of Defense (Comptroller) representative was unable to attend. Key highlights of the review include:

- All programs are pursuing their BCAs, business strategies, and financial management consistent with MID 917. All programs are on schedule.
- Programs are identifying PBL resources in a new Select and Native Programming (SNaP) Data Collection System exhibit in program/budget submissions.
- Programs are analyzing alternatives to ensure PBL Operation and Maintenance (O&M) resources are included within a single budget sub-activity group (SAG) in the applicable O&M appropriation, and to limit the lines of accounting.
- Funding consolidation, simplification, and flexibility remain top issues for program managers.
- Some programs are experiencing challenges with part number requisitions as they are
  passed to industry. This previously identified issue is being actively resolved by
  Service representatives in a working group chaired by Ms. Deb Bennett, under the
  TLCSM Executive Council.

Each of the programs are making excellent progress relative to the MID guidance. The Expeditionary Fighting Vehicle program schedule has slipped as a result of Program Budget Decision (PBD) 753. I suggest we consider an extension of the 15 April 2005 MID 917 milestone to allow the program to fully assess PBD 753 and to complete their BCA. The TLCSM Executive Council is developing criteria and milestones for evaluating the pilot programs' experience with the revised processes.

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Chairman, Total Life Cycle Systems Management Executive Council

